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SUBJECT: China Rolls Out the Red Carpet at ASEAN Expo

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11. (U) Summary: High-level Chinese and ASEAN officials agreed the text of a maritime agreement and a statement on food safety during meetings at the Fourth China-ASEAN Expo in Nanning. The trade fair-like Expo and related events in Nanning reinforce China's commitment to further develop relations with its Southeast Asian neighbors. End summary.

Pulling Out the Stops

12. (U) Nanning, the capital of Guangxi Zhuang Autonomous Region in south China, played host this week to a series of events aimed at strengthening China's economic cooperation with ASEAN. The Fourth China-ASEAN Expo opened on October 28 with all the fanfare associated with China's impressive trade shows. Vice Premier Zeng Peiyuan represented China at the opening ceremony. ASEAN representatives included several heads of government, namely Cambodian Prime Minister Hun Sen, Vietnamese Prime Minister Nguyen Tan Dung, and Laotian Prime Minister Bouasone Bouphavanh. Crown Prince Al-Muhtadee Billah of Brunei also attended. Most of the other ASEAN countries were represented by cabinet ministers. On the same day, many of the same leaders opened the China-ASEAN Business and Investment Summit (CABIS).

13. (U) Nearly 2,000 enterprises participated in the Expo, which closed on October 31. Most of the booths were occupied by Chinese companies, organizations, and government agencies. ASEAN entities occupied one-third of the booths. Expo organizers announced that trade contracts signed at the event reached a total value of US\$1.4 billion, up 12 percent from last year. There were also 182 investment deals signed with a total value of US\$6.2 billion, 5 percent more than a year ago.

Focus on Transportation

14. (U) The ASEAN-China Port Development and Cooperation Forum was another concurrent event in Nanning and was the focus of many of the visiting ASEAN officials. According to media reports, the Forum reached consensus on a draft ASEAN-China Maritime Transportation Agreement that is slated to be signed at the 6th ASEAN-China Transport Ministers' Meeting in Singapore in early November. In addition, the officials agreed on a Strategic Plan for ASEAN-China Transport Cooperation.

Food Safety Too

¶5. (SBU) Chinese and ASEAN officials who participated in the events in Nanning also issued a joint statement on food safety. The statement called for an exchange of information on food safety regulations and standards. A Guangzhou-based ASEAN diplomat told Congenoff that China had lobbied ASEAN countries heavily to issue this statement.

Comment - Soft Power in Action

¶6. (SBU) China's investment, especially at senior government levels (Wen Jiabao delivered the opening address at the 15th anniversary of the establishment of the China-ASEAN Dialogue last October 31 in Nanning) in the events this week testifies to its ongoing commitment to develop relations with its Southeast Asian neighbors. The trade fair-like Exposition appeared to be an effective way to use economic muscle to further strengthen ties and to make a political statement. High-level participation by ASEAN members, especially those from Indochina, suggests that Southeast Asian countries are responding to China's efforts.

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